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SUBJECT: "WELL-CONNECTED" IRANIANS GIVE DIFFERING VIEWS OF POWER  
STRUCTURE

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CLASSIFIED BY: Ramin Asgard, Acting Director, Iran Regional  
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REASON: 1.4 (d)

1.(S) Summary: Three Iranians who claim to be well-connected - a former IRGC official, a former Guardian Council staff member, and a leading businessman - gave contrasting views of the behind-the-scenes power structure of the Iranian regime. According to the former IRGC official, the bazaaris (traditional merchant class) run the country, having bought off the ruling clergy. The former Guardian Council staff member claimed that the clerical elite in Qom make ultimate decisions on all major policies, because Supreme Leader Khamenei does not have sufficient religious credentials to make those decisions. The businessman claimed that a group of 500 "fascist neocons" headed by 10-12 influential men run the country. All three sources claimed the Supreme Leader's son Mojtaba is an avenue to reach the Supreme Leader, although the IRGC official said Mojtaba is used by others and is not influential in his own right. There have long been competing theories among Iran scholars and analysts about who actually wields authority in Iran. Even these purported regime insiders differ on where ultimate authority resides, lending credence to the view that no one power center predominates. End Summary.

Bazaaris are in charge, says former IRGC official

2.(S) Three Iranians who claim to be well-connected recently offered IRPO contrasting assessments of the behind-the-scenes structure of power and influence in the Iranian regime. A former IRGC official maintained that the bazaaris, the well-established and traditionally influential merchant class, essentially run the country. He claimed that they have placed "their people" in government offices and that they have bought off the ruling clergy. The former IRGC official noted that bazaaris have long collected alms on behalf of the clerics. He added that since the Islamic revolution, the bazaaris have been permitted to invest alms on behalf of the clerics, who would, theoretically, redistribute the profits to the poor. The contact claimed that much of this money is invested or held in Dubai.

3.(S) The former IRGC official described the bazaaris as

different from the rest of the private sector, saying that the bazaaris are generally a well-established and well-organized group of mostly traders that are present in every major city. He said that banks will not loan money to ordinary people without a bribe, but that bazaaris will get bank loans and then re-loan the money. The contact claimed that bazaaris, IRGC and other groups offer loans at very high interest rates (60% or more), notwithstanding the Islamic prohibition on usury. Asked why the bazaaris would not force the privatization of the oil industry in order to gain control of it, he said that they are traders not producers, and that they make money selling equipment to the government. The bazaaris will resist change unless it benefits them economically, but are adept at deriving business advantage from changes in Iranian domestic and foreign policy. For example, asked how President Ahmadi-Nejad's anti-Israel and Holocaust rhetoric serves bazaari interests, the contact said that it increased their trade with Arab businessmen, with whom Ahmadi-Nejad is popular.

4.(S) The former IRGC official claimed that the Supreme Leader's son, Mojtaba, is well-placed but is not powerful himself. The contact alleged that Basij commander Hejazi and other members of the Supreme Leader's office use Mojtaba as an avenue to influence his father. The former IRGC official claimed that the Supreme Leader discourages his sons from entering business or politics.

Former GC staff member says clerics in Qom and their hardline supporters run the country

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5.(S) A former staff member on the Guardian Council where he was an aide to Presidential Office spokesman Gholam Hossein Elham, maintained that Supreme Leader Khamenei does not have sufficient religious credentials to make authoritative decisions and that he relies on the senior clerics at the seminaries in Qom to bolster and sometimes make major policy decisions. The

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contact said that the religious community is divided between supporters of Grand Ayatollah Montazeri - a noted critic of the regime and the concept of absolute rule by the jurisprudent (velayat-e-faqhi) - and the more hard-line pro-government clerics associated with the Qom Theological Lecturer's Association (QTLA). He said that these hard-line clerics have influential advisers, some of whom are bazaaris.

8.(S) The former Guardian Council staff member said that Habibollah Asgaroladi, the head of the Islamic Coalition Party, is an influential figure, and also listed some key members of the QTLA. These include: Guardian Council head Ayatollah Ahmad Jannati; Ayatollah Momammad Taqi Mesbah-Yazdi; Ayatollah Hossein Rasti Kashani; Ayatollah Mohammad Emani-Kashani; Ayatollah Mohammad Yazdi; Grand Ayatollah Lotfallah Safi Golpayegani; Grand Ayatollah Naser Makarem Shirazi; Tehran Friday prayers leader Ayatollah Seyyed Ahmad Khatami; Ayatollah Seyyed Hasan Taheri Khorram-Abadi; Ghazi Khorram-Abadi; Hojatoleslam Hussein-Bushehri; Ayatollah Reza Ostadi; Majid Momen; Ayatollah Gholamreza Rezvani; FNU Ghadari; Ayatollah Jafar Sobhani; Ayatollah Abbas Vaez Tabasi; Ayatollah Mohyeddin Haeri Shirazi; Ayatollah Ali Meshkini; Grand Ayatollah Nouri-Hamedani (who was accused of being in charge of the "chain killings" of prominent Iranian reform activists during the Khatami period).

9.(S) The contact said the Supreme Leader's son Mojtaba plays a role, but does not have an independent power base. According to the contact, the ruling clerics operate on the basis of self-preservation and personal interests instead of national interests.

10.(S) Speaking about the nuclear issue, the former Guardian Council staff member said he believes Iran wants to develop a nuclear bomb for deterrent purposes, but that no one would be foolish enough to use it. He said he believes that developing a nuclear weapon and maintaining the status quo in Iraq are two of

the ruling elite's top goals. The contact maintained that the "semi-government," such as Rafsanjani and Khatami, support suspension, but the senior clerics in Qom oppose it, and the latter's views are Iran's declared positions. Regarding future elections, he said that in a country of 70 million people, there are 90 million identity cards (which is the only documentation required for voting). If the QLTA and their hardline supporters decide to manipulate the next election, he said, Ahmadi-Nejad could be returned for a second term as president.

Khamenei relies on group of 500 "neocons" says businessman

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11. (S) The third contact is a leading businessman whose company is among the top three soap and detergent companies in Iran. He claimed that a group of 500 "fascist neocons" led by 10-12 men actually run the country. He described the group of 500 as the people that the ruling clerics have always relied upon to "carry out their dirty work," and said that they report to a group of 10-12 men, specifically naming IRGC commander Rahim Yahya Safavi, Deputy IRGC commander Mohammad Baqr-Zolqadr, Basij commander Mohammad Hejazi, and Keyhan editor Hossein Shariatmadari. These men report to the Supreme Leader through his son, Mojtaba, the businessman claimed. The contact recounted that the 1999 student protests worried Khamenei, because taken to its logical conclusion, the student movement advocated an Iran without a Supreme Leader. After 1999, Khamenei relied more on conservative factions to suppress popular uprisings, alleged the businessman.

12.(S) Regarding the 2005 presidential election, the businessman claimed that the group of 500 were under the impression that they would be voting - and encouraging others to vote for - Mohammad Baqer Qalibaf, but that they were instructed at the last minute to vote for Ahmadi-Nejad.

13.(S) Comment: While IRPO cannot independently assess the validity of these contacts' claims, we have heard each of these general theories about the power structure before from other Iranian contacts. All appear to agree that Supreme Leader Khamenei does not exercise absolute authority. It is noteworthy that each of the three separate contacts described the Supreme Leader's son, Mojtaba, as an avenue to reach Khamenei. It is IRPO's analysis that the bazaaris and the clerical elite both exert a strong influence on policy. The Supreme Leader meanwhile maintains an array of tools to balance the needs of

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these and other constituencies and his priorities for the regime. What is clear is that the key levers of power are exercised behind the scenes, through informal contact, and that even those who claim to be well-connected differ on where the power and influence in the regime truly lies.

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